



**City of Chandler
Housing and Human Services Commission**

***Community Development Block Grant and
HOME Investment Partnership Program***

***REQUEST FOR PROPOSAL GUIDELINES
2013-2014***

Applications Available: October 23, 2012

Applications Due: November 30, 2012

City of Chandler
Neighborhood Resources
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City of Chandler CDBG Funding Criteria & Proposal Guidelines

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INTRODUCTION TO THE REQUEST FOR PROPOSAL

Thank you for your interest in City of Chandler CDBG and HOME funding. The proposal guidelines are designed to help organizations write more effective grant applications. The guide provides a greater understanding as to why each question is important to the Housing and Human Services Commission (HHSC) and the City's understanding of your proposal and request for funding.

CDBG FUNDING

The CDBG program, funded by the U.S. Department of Housing and Urban Development (HUD), provides annual grants on a formula basis to entitlement cities and counties. The City must ensure that each funded activity meets one of three named National Objectives. Those three objectives are identified as: benefiting low- and moderate-income persons; preventing or eliminating slums or blight; and meeting urgent needs.

Federal regulations require that CDBG funds be used for projects that qualify as meeting one of the National Objectives of the program and that the funded activity is eligible. Programs and projects that fail to meet the U.S. Department of Housing and Urban Development (HUD) guidelines will not be considered for funding.

HOME FUNDING

The HOME Investment Partnership Program was created under Title II of the National Affordable Housing Act of 1990. The general purposes of HOME are expanding the supply of decent and affordable housing, particularly rental housing, for low and very low income residents. The City of Chandler has utilized and awarded HOME funding for a number of housing activities and receives an annual allocation of HOME funding from the Maricopa County HOME Consortium. Through this program, activities have been undertaken to enhance ongoing neighborhood revitalization efforts.

HOUSING AND HUMAN SERVICES COMMISSION

The Housing and Human Services Commission (HHSC) is an eleven member Commission that advises the City Council on the operation and development for all City housing projects and on matters relating to the welfare of the City's low- and moderate-income citizens.

The HHSC assesses the human service needs of the community and makes recommendations on the distribution of the annual allocation of City general funds (non-federal) funding for human service agency applicants. In addition, the Commission is responsible for making recommendations to the City Council on the annual allocation of Federal Community Development Block Grant (CDBG) and HOME Investment Partnership funds.

Established in 1998 by Ordinance No. 2857 and amended in 2005 by Ordinance No. 3649, the eleven member Commission serves in an advisory capacity to the City Council and Public Housing Authority Commission on matters affecting the Public Housing program and the Section 8 rental assistance program.

Commissioners are appointed by the Mayor of Chandler and are eligible to serve two, three-year terms. Commissioners must be a qualified elector and a City of Chandler resident for at least one year preceding appointment. Additionally, one member must be a resident of a public housing site and one member must be a resident of the City's redevelopment area.

<u>2012-13 HHSC Members</u>	<u>Term Expires</u>	<u>Date Appointed</u>
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Sharon Rosner	2013	05-24-2007
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Scott Powell	2014	02-25-2010
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Tammy Clow-Kennedy	2014	01-12-2012
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Jeff Riggs	2013	05-24-2012
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Justin Lisonbee, Chair	2014	04-28-2011
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Justin Lisonbee has worked for nearly eight years in various aspects of the management of the CDBG, HOME, and Human Services General Funds with two different municipal agencies. Before leaving the human services field, Justin was the CDBG Program Coordinator for the City of Scottsdale and managed the funding application process. Justin currently works in the Emergency Medical Services field.

Kris Kylo, Vice Chair	2013	04-28-2011
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A resident of Chandler since 2001, Kris' interest in serving on the City of Chandler's HHSC is related to her history of working more than 30 years in the field of low-income assisted and moderate-to-middle income affordable housing programs. Recognizing the link between human services and rental and home ownership housing opportunities, Kris believes the HHSC plays a vital role in the funding allocation process and the monitoring and measurement of how well the City is meeting priority needs, strategies and objectives. Kris has a Bachelor of Arts in Social Welfare and a Master's of Science in Gerontology. She also has certifications in Industrial Relations, Real Estate Appraisal, Public Housing Regulations, and Public Housing Management.

Brigita Fody-Landstrom	2013	01-27-2011
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Brigita received her Bachelors in Psychology from the University of California, Irvine and Masters in Maternal and Child Health from The Johns Hopkins University, and brings over 20 years of public health program expertise. Her professional experience includes hands-on roles serving people in the Head Start programs, Medicare programs, child adoption, College teaching, and Medicaid programs. In her current role as a Medicaid professional, Brigita is home-based in Arizona but works across the country developing and implementing health programs to serve the most vulnerable populations. In her current role as Senior Director, Program and Product Development, Brigita is responsible for developing and implementing health and social services programs that serve Maricopa's most vulnerable populations. Brigita brings her passion for serving people as well as her knowledge in public program development to the Commission to serve Chandler's residents.

Louise Moskowitz	2015	01-26-2012
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Louise has been with APS almost 30 years and works in APS' statewide educational and low-income outreach programs. She represents APS in the community by facilitating business/education partnerships as it refers to education and workforce readiness. She interacts with advocacy groups and social service agencies as they address issues of energy assistance, homelessness, and affordable housing. Louise received her BA in Human Relations at Pace College in New York City, earned an MA in Organizational Management at University of Phoenix, and received her Advanced Certificate in Corporate Community Relations from The Center for Corporate Citizenship at Boston College.

Raleigh Grady	2015	08-19-2010
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Originally from Kokomo, Indiana, Raleigh Grady served on that City's Family Services Board for over four years and on the Kokomo Planning Commission for over 25 years. Additional social

service experience includes serving on the YMCA Board for three years. This is Raleigh's first volunteer experience with the City of Chandler.

Rick Becker

2014

03-22-2012

Rick is a retired Navy Supply Officer and also worked 15 years for the City of Chandler in Public Works Administration. He currently works at a Chandler senior assisted living facility providing logistical services and serving the residents through various program activities. He has volunteered at various non-profit agencies, has a Bachelor of Science in Business Management, and is an ASU Certified Public Manager.

Timothy Lewis

2015

04-23-2009

Timothy, a public housing resident for 10 years, is very active in his community. He is a member of the Public Housing Authority Commission (PHAC) where he represents Public Housing Residents. He was also elected by his neighbors to the tenant association known as Tenant Community Builders, a group comprised of public housing residents that want to make a difference in their community. He also participates in the Resident Advisory Board, a resident group that meets once a year to review the Housing Division's Annual Plan Process.

We would also like to recognize additional panel members from other City of Chandler Boards and Commissions and the Community at Large who have served on the HSHC Funding Subcommittees for the last two years.

KEY FOCUS AREAS FOR FUNDING ALLOCATION

The City of Chandler has established funding priorities by population and key focus areas. The Focus Areas for the CDBG program year 2013-2014 is described below. **Proposals submitted outside of the specified priority funding areas will not be considered for funding.**

CDBG

- **Public Services**
- **Public Facilities and Improvements**
 - **Housing Rehabilitation**
- **Code Enforcement/Blight Elimination**
 - **TBRA Housing Services**

PUBLIC SERVICES

CDBG public services funds may be used to pay for labor, supplies, materials, as well as operational support for a portion of a facility where the CDBG Public Service is located. This includes the lease of a facility, equipment, and other property needs for the service. To utilize the funds for a public service the service must be either; 1) a new service; or 2) a quantifiable increase in the level of service currently being provided and must also be designed to provide services to low and moderate income Chandler residents. Public Service priority activities include: services to the homeless, fair housing programs and TBRA housing services.

TBRA HOUSING SERVICES

Services in Connection with Housing include TBRA Housing Services. CDBG is flexible in allowing funding to be provided to support the services to persons and households who are receiving Tenant Based Rental Assistance (TBRA). Eligible services include administrative costs to manage a TBRA program.

PUBLIC FACILITIES AND IMPROVEMENTS

CDBG public facilities funds may be used for acquisition, construction, reconstruction, rehabilitation (including removal of architectural barriers to accessibility), or installation of public improvements or facilities (except for the buildings for the general conduct of government). Types of facilities include: Public Housing Modernization projects, shelters for the homeless, City infrastructure improvements (sidewalks, curbs, gutters, water and sewer lines, neighborhood facilities and playgrounds. Projects, when complete, must benefit low and moderate income Chandler residents.

HOUSING REHABILITATION

Housing Rehabilitation Programs must be designed to provide low- and moderate-income homeowners with assistance necessary to improve their living conditions and elevate neighborhoods within the City. CDBG funds may be used to assist City of Chandler homeowners with the repair, rehabilitation, or reconstruction of owner-occupied housing units. This includes substantial rehabilitation programs, which bring the property up to local codes and standards. Proposers must demonstrate that they are knowledgeable about housing rehab income qualifying guidelines required by HUD.

CODE ENFORCEMENT / BLIGHT ELIMINATION

Code Enforcement / Blight Elimination programs must be designed to cover the cost of salaries and overhead costs that are directly related to City of Chandler code enforcement activities for both residential and commercial structures. The costs incurred for code enforcement efforts are an eligible expense provided that: 1) enforcement efforts takes place in deteriorated or deteriorating area(s); and 2) enforcement effort is accompanied by public or private improvements or services (e.g., a homeowner rehab program). Eligible code enforcement costs include: 1) costs for **inspections** for code violations (including salaries and overhead); and 2) enforcement of **code requirements** (including salaries, overhead and legal proceedings).

HOME

- **New Construction**
- **Rehabilitation**
- **Reconstruction**
- **Conversion**
- **Down Payment Assistance**
- **Rental Assistance (TBRA)**

Eligible Activities:

- ✓ **New Construction** – for both rental and ownership housing;

- ✓ **Rehabilitation** – includes non-luxury alterations, improvement or modification of an existing structure;
- ✓ **Reconstruction** – rebuilding a structure on the same lot where housing is standing at the time of project commitment. The number of units may not be decreased;
- ✓ **Conversion** – conversion of an existing structure from another use into affordable housing;
- ✓ **Down Payment Assistance** – up to \$10,000, for qualified borrowers, per household for low-income homebuyers to purchase affordable housing;
- ✓ **Rental Assistance (TBRA)** – direct financial assistance to subsidize tenants’ rent for a period of time. (project based assistance is not eligible).

SECTION 1. GENERAL PROPOSAL CRITERIA

Congress created the CDBG program and federal regulations apply. Agencies requesting CDBG funding for a Public Service and/or Public Facility activity through the City of Chandler’s Housing and Human Services Commission, will adhere to the Request for Proposal guidelines and criteria outlined below. Specific guidelines unique to Public Service, Public Facilities and Housing Rehabilitation funding is outlined in Attachments 1, 2 and 3 located at the end of the guidebook.

Agencies seeking CDBG funding for any type of funding must adhere to these requirements:

1. Must be a Arizona nonprofit corporation with a 501(c)(3) tax exempt status or a City applicant.
 - a. Non-Profit Corporations – Services and programs must primarily serve low and moderate income City of Chandler residents. Nonprofits must be incorporated with the Arizona Corporation Commission and in good standing.
 - b. Public and Charter Schools – Proposals sponsored by schools must also primarily service low and moderate income City of Chandler residents and meet a CDBG National Objective to be eligible. Special Note: Charter Schools are allowed to accept grants and gifts to supplement their state funding. However, the base support a charter school receives from a federal or state agency intended for the basic maintenance and operations of the school may be reduced if the school receives a CDBG award for the same dollars already provided by the State.
 - c. Faith-Based Organizations – Faith-Based Organizations are an important part of the social service network. HUD issued a final rule amendment allowing faith-based organizations to compete for CDBG funding on the same basis as other nonprofits. However, faith-based organizations cannot use CDBG funds to support worship, religious instruction or proselytization. Religious activities must be offered separately from the CDBG supported activity. Faith-based organizations that participate in the CDBG program will retain independence from federal, state, and local governments and may carry out its mission provided CDBG funds are not used to support religious activities.
 - d. City of Chandler – Proposals can be submitted by City of Chandler Departments and/or Divisions.
2. CDBG activities must meet one of the National Objectives: benefit to low-and moderate-income persons or prevention of slum and blight. For more information on how your

proposed activities qualify, applicants' are encouraged to contact a member of the CDBG program staff.

3. Cannot be indebted to the IRS, any public entity nor have judgments or liens.
4. Proposers must submit an audit, including management letter along with the proposal. Audits must be conducted by an independent accounting institution able to render unqualified statements regarding the fiscal status of the organization for three years, except under the following conditions:
 - a. Agencies with budgets under \$250,000 may present a financial review conducted by an independent accounting institution.
 - b. Agencies in existence for less than three years must supply year-end financial statements for their period of operation, including budgeted versus actual figures.
5. One hundred percent (100%) of funds received from the City of Chandler must serve Chandler residents. Funds will be returned to the City if it is found that an agency is not meeting this requirement.
6. Priority will be given to agencies physically based in Chandler, except under the following conditions:
 - a. There is no Chandler-based service provider meeting the identified need; or
 - b. An agency outside of Chandler collaborates with or offers essential services to Chandler-based organizations or residents. In this case, the applicant agency will need to provide documentation (such as a letter of partnership, signed agreement, or memorandum of understanding) that outlines the relationship between the applicant agency and the Chandler-based organization/entity (i.e., school, church, etc.) where services are provided.
7. Funding for any given year does not guarantee funding for succeeding years.
8. Agencies may apply for the Federal Funding CDBG Categories and City of Chandler General Funds Categories. Submit one (1) complete proposal for each funding request. Copies of all requested forms and documentation should be included in each application. Organizations submitting multiple proposals under CDBG and/or the HOME Investment Partnerships Program(s) should complete a separate proposal for each. Careful attention should be given to completing each question and attaching documentation requested.
9. Premature committing of funds prior to City Council award, environmental clearance and the execution of the CDBG contract are not eligible for reimbursement.
10. Programs, projects, information, participation, communications and services must be accessible to persons with disabilities and comply with Americans with Disabilities Act.
11. Agencies must follow nondiscrimination employment practices and have a Drug Free Workplace.
12. Submitted proposals shall become the property of the City of Chandler and shall become a part of the public record available for review pursuant to Arizona law.
13. As mandated by Arizona Revised Statutes 41-4401, the City of Chandler is prohibited from awarding funds to any Agency/Contractor who fails to comply with the Arizona Revised

Statute 23-214-A, which requires that employers verify the employment eligibility of their employees through the Federal E-Verify system. The City is authorized to randomly inspect records related to an employee of the Agency to ensure they are complying with the state statutes. Agency must certify that it does not have a scrutinized business operation in either Sudan or Iran.

14. The City reserves the right to request additional information or documentation not specified in this Request for Proposal at any stage during the process and conduct discussions with applicants for the purpose of understanding minor proposal irregularities. Applicants will be expected to respond and comply with any additional requests in a timely manner.
15. The proposal narrative portion, not including the required attachments, should be brief and limited to the word count provided. All pages must be consecutively numbered and project budgets should reflect all costs associated with carrying out the project.
16. This year's **CDBG proposals will NOT be submitted through eC-impact.** Proposals are to be submitted directly to the City and be postmarked or delivered by the due date. Late proposals shall be rejected regardless of the reason.
17. Proposal document submission requirements are as follows:
 - a. Submit one (1) original and two (2) copies of the of the entire application package. The original must be *TYPED and UNBOUND* on 8.5" x 11" standard paper, single printed pages (do not duplex).
 - b. Do not submit any document that is handwritten, bound (including staples, folders, spiral, or flat spines), on glossy, colored, heavy grade, or legal paper. Documents submitted in an inappropriate format will not be reviewed or evaluated.
 - c. Attachments include: 1) Agency Organizational Chart, 2) Board of Directors and 3) most recent audit and management letters; and 4) any other attachment requested

NEIGHBORHOOD RESOURCES STAFF

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FY 2013-2014 TENTATIVE CALENDAR

October 23, 2012	Request for Proposal Opens - Agency Orientation
October 24 – Nov 15, 2012	Technical Assistance available for Agency applicants
November 30, 2012	Deadline for Proposal Submittal by 5:00 p.m.
December, 2012	Proposal Eligibility Reviews <ul style="list-style-type: none">▪ Agencies notified if proposal is not eligible▪ Proposal Technical Review and Report Card Data mailed to Agencies
January, 2013	Agency responses to Technical Review concerns
January 23, 2013	HHSC Orientation/Subcommittee Team Assignments
February 4 – 8, 2013	HHSC Subcommittee Meetings
February 19, 2013	Agency Presentations
February 20-25, 2013	Agencies respond to HHSC presentation questions
March 4, 2013	HHSC Preliminary Proposal Score Sheets Due
March/April 2013	HHSC finalizes funding recommendations and CDBG funding Recommendations made to CC Study Group
April 03, 2013	HHSC Public Hearing for CDBG and HOME Annual Plan and Final Funding Recommendations
May 9, 2013	Mayor and City Council approve CDBG & HOME funding recommendations
May 13, 2013	Award letters mailed
May 24, 2013	Pre-Contract Orientation for funded agencies
June – July, 2013	CDBG Contracts developed and environmental reviews prepared (contingent upon approval by City Council and receiving funding from HUD).

SECTION 2. PROPOSAL EVALUATION INFORMATION

The proposal review process is designed to increase effectiveness and standardize of the evaluation process. The City intends to ensure the delivery of fair and objective funding recommendations to the Mayor and City Council for approval of awards to selected applicants whose proposals are results oriented and will serve City of Chandler low and moderate income residents to the fullest degree. New applicants and organizations that have previously been funded are encouraged to apply.

Proposal Review Process

- All applications will be initially reviewed by City staff for eligibility, completeness, and feasibility.
- Proposals that are ineligible, incomplete or not feasible will not be considered for funding. Agencies will be notified if their proposal is not eligible and will be given an opportunity to appeal the decision.
- The HHSC is provided eligible proposals, staff technical summaries with past performance history (report card) and any responses to the staff technical review.
- The HHSC will review, evaluate, and score each proposal based on the criteria outlined in the RFP Guidelines. All correspondence with the HHSC and agencies will be distributed via email.
- From the proposal score ranking, the HHSC will develop the funding recommendations and forward their recommendations to the Mayor and City Council for approval.

Proposal Evaluation Criteria

PROJECT DESCRIPTION AND NEED (0 to 10 points)

- Well-defined project with realistic implementation plan
- Addresses unmet needs and is not duplicative of other services
- Evidence of collaboration with existing programs and services
- Evidence of sustainability for future program years

PROPOSED OUTCOME (0 to 10 points)

- Proposal addresses the priority
- Results oriented, measurable outcomes and objectives which are challenging yet realistic
- No. of low/moderate income residents to benefit from the project in relation to funds request

AGENCY PAST PERFORMANCE – REPORT CARD (0 to 10 points)

- Prior experience with documented results in the type of work being proposed
- Date organization formed or incorporated
- Fiscal and organizational capacity to implement project
- Appropriate level of licensing or site control

PROJECT BUDGET (0 to 10 points)

- Amount of project leveraging of other resources
- Funding request is realistic and budget/expenses are reasonable
- CDBG funds are an appropriate resource for the project
- Project is ready to start in 2013, i.e., all other needed resources are on hand

CRITERIA	POOR		FAIR		AVERAGE		GOOD		EXCELLENT	
Project Description	1	2	3	4	5	6	7	8	9	10
Proposed Outcomes	1	2	3	4	5	6	7	8	9	10
Past Performance / Report Card	1	2	3	4	5	6	7	8	9	10
Project Budget	1	2	3	4	5	6	7	8	9	10
TOTAL POINTS										

SECTION 3. AGENCY PRESENTATIONS AND TECHNICAL ASSISTANCE

As a part of the FY 2013-14 CDBG & HOME allocation process, applicants will be asked to give a five (5) minute presentation before the HHSC CDBG Subcommittee regarding the specifics of their funding request as follows:

- A timer will be used to keep the presentations on schedule. The HHSC CDBG Subcommittee will have an opportunity for follow-up questions. City staff will follow up with agencies to obtain answers to questions asked by the HHSC if the Agency is not able to address during the presentation.
- Staff will mail the presentation date and time well in advance to allow agencies plenty of time to prepare their presentation. The presentation letter will also provide guidance on presentation content and format. Applicants should be prepared to have an agency representative available to attend and present during this appointed time.
- Presentations will be heard in order as they appear in the schedule and will not be rescheduled.
- The presentations are public meetings and agencies will be asked to arrive at least 10 minutes prior to their scheduled time.
- Power point, audio tape presentations and printed program materials will not be permitted. However, agencies will have the option of bringing a photo display board (no larger than 24" x 36") to compliment their presentation.
- The agency proposal and presentation is taken into consideration by the HHSC Subcommittee. The HHSC Subcommittee will make funding recommendations to the full HHSC and forward to the Mayor and Council for approval.

Technical Assistance

Technical Assistant is available to help organizations develop a viable proposal. Staff reviews will consist of checking for CDBG eligibility and the proposals compatibility with the RFP criteria including funding priorities and eligible activities. If you have specific questions, regarding the eligibility of a proposed activities and/or their compliance with national objectives or technical questions regarding specific activities proposed for grant funding, please contact the Neighborhood Resources Office staff noted below.

Technical Assistance	General Questions
Barbara Bellamy, CDBG Supervisor 480-782-4359 Barbara.bellamy@chandleraz.gov	Jeanne Vega, Community Development Assistant 480-782-4349 jeanne.vega@chandleraz.gov

SECTION 4. FEDERAL REQUIREMENTS OVERVIEW

Audit Requirements

The type/level of audit required by OMB Circular A-133 is based on the amount of federal financial assistance, referred to as federal awards, received by a Subrecipient in any given year. Federal awards means financial assistance provided by the federal government to the entire agency (not just one department or division) in the form of: grants, loans, property, contracts, loan guarantees, insurance, donated property, cooperative agreements, interest subsidies, direct appropriations,

food commodities or other assistance. Subrecipients expending federal funds in a fiscal year totaling:

- \$0 - \$499,999 - No audit required by OMB Circular A-133
- \$500,000 or more - single or program audit completed for that fiscal year required

If a Subrecipient expends **less than \$500,000 per year** in federal financial assistance, **it is exempt** from federal audit requirements and will submit an **A-133 Exemption Certification Form**. However, exempt partners must still have records available for review by the City and HUD. Audit Reports must be submitted to the City not later than nine months after the end of the fiscal year in which the federal funding was expended.

A **program audit** is an audit of one federal program (such as CDBG). A program-specific audit is allowed when the partner expends federal awards under only one federal program. A **single audit** is an audit that includes both an entity's financial statements and its federal awards (from all applicable federal programs). All audits conducted in accordance with OMB A-133 must be performed in accordance with Generally Accepted Government Auditing Standards, described in GAO's Government Auditing Standards. A financial audit should determine whether:

- Financial information is presented in accordance with established or state criteria,
- The entity has adhered to specific financial compliance requirements, or
- The entity's internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented to achieve control objectives.

Debarment

CDBG funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any service provider or vendor during any period for which the service provider or vendor has been debarred, suspended, or designated as ineligible on the federal Excluded Parties Listing System. The Excluded Parties Listing Service is available online at: <http://www.epls.gov/>

Uniform Administrative Requirements for Nonprofits

Non-profit subrecipients are required to comply with the following uniform administrative requirements:

OMB Circular A-122 - "Cost Principles for Non-Profit Organizations". This circular establishes principles for determining allowable costs under grants, contracts and other agreements with nonprofit organizations.

Specific provisions of 24 CFR Part 84 (see 570.502(b)) - These regulations set forth uniform requirements for nonprofit organizations, including financial management systems, property standards, procurement standards, reporting, and record keeping. NOTE: 24 CFR Part 84 implements OMB Circular A-110.

Low and Moderate Income Household

The term "low and moderate income" shall be defined as at or below 80% of the median income adjusted for family size for the area as defined in Section 102 of the Housing and Community Development Act of 1974, as amended.

Conflicts of Interest

The general rule is that no employee, board member, officer, agent, consultant, elected official, or appointed official of the recipients or sub-recipients that are receiving funds under a CDBG assisted project who have responsibilities with respect to the CDBG activities or are in a position to participate in decision making processes or have access to inside information with regard to the

activities can obtain a financial interest or benefit from a CDBG assisted activity during their tenure or for one year thereafter (Federal Regulation 24 CFR 570.611). Agencies should maintain a written code of standards of conduct governing the purchase of materials, product, supplies, and services and awarding and administering sub-recipient contracts. Personnel involved in the procurement process must be trained to recognize situations that create conflicts of interest, or the appearance of a conflict of interest. The agency personnel should be familiar with the agency's code of ethics and potential conflict of interest issues and not take gifts or gratuities from persons or organizations associated with the procurement process.

Other Resources and In-Kind Resources

Other agency resources needed to carry out a program or project must be immediately available to be applied to the project. In-kind contributions must have a specific dollar value established in accordance with generally accepted accounting principles. The basis of determining the value for personal services and donated materials and supplies must be identified and documented in the proposal. Volunteer services may be counted if the service is an integral and necessary part of an approved CDBG funded project. Rates for hours should be consistent with those paid for similar work. The value assigned to donated materials and supplies should be reasonable and should not exceed market value.

Indirect Costs

There are three methods nonprofits are required to use for allocating indirect costs (OMB Circular A-122). Each method is applicable to certain specific circumstances. Indirect cost rates determined through one of the three prescribed methods **must be submitted to and approved by the federal agency (federal cognizant agency) that provides the largest dollar value of federal funds to the nonprofit**. A written agreement is executed between the nonprofit and the approving federal agency signifying the approval of the proposed indirect cost rate. CDBG funds cannot be paid without this approved indirect costs agreement.

Simplified Allocation Method - Used when a nonprofit organization has only one major function, or where all its major functions benefit from its indirect costs to approximately the same degree. The indirect cost rate is calculated by separating the organization's total costs for the base period (e.g., fiscal year) as either direct or indirect, and dividing the total allowable indirect costs by an equitable distribution base (total direct costs, direct salaries or other equitable distribution base).

Multiple Allocation Base Method - Used when major functions benefit in varying degrees from indirect costs. Costs are separated into distinct groupings, and each grouping is then allocated to benefiting functions by means of a base which best measures relative benefits. An indirect cost rate is developed for each grouping.

Direct Allocation Method - This method may be used for those nonprofits that treat all costs as direct costs *except* general administration and general expenses.

Minimum Documentation Standards

Funded subrecipients must maintain at least three major categories of records as follows:

Administrative records – files and records that pertain to the program administration

Financial records- chart of accounts, ledgers, accounting journals, source documentation (invoices, receipts, cancelled checks, timecards, payroll, client eligibility records, etc), legal files, contracts, reimbursements, corporation papers

Project / Case Files – document activity undertaken with respect to specific beneficiaries, property owners, properties, public service beneficiaries, ect.

Recordkeeping & Records Retention

The City of Chandler is responsible for ensuring that subrecipient activities are on track with the objectives outlined in the agency contract. Accurate recordkeeping is crucial to the successful management of CDBG funded programs and projects. Insufficient documentation can lead to delayed payments and monitoring findings which are hard to resolve if records are missing, inadequate or inaccurate. All CDBG files must be maintained for at least six (6) years following completion of all program reporting.

For each project, the agency should determine what data must be maintained in the project files and establish a system for ensuring that every file contains the necessary information. In general most project should include the following:

- Grant proposal, City contract, procurement information, bids and other contracts
- budget, expenditure and payment information with supporting documentation
- characteristics and location of clients served, client eligibility documentation
- project status, progress reports, audits, monitoring reports and correspondence

Access to Records

The U.S. Department of Housing and Urban Development and the Comptroller General of the United States, or their authorized representatives, have the right to access subrecipient agency program records. All CDBG grantees are required to provide citizens with reasonable access to records regarding past and current funded projects, consistent with applicable state and local laws regarding privacy and confidentiality.

Financials

These are the types of financial records that must be maintained by the agency:

- chart of accounts, written accounting procedures, accounting journals/ledgers;
- payment and source documentation (bills, receipts, cancelled checks, etc.);
- procurement files (bids, contracts, etc.) and real property inventory;
- bank account and payroll records, financial reports, correspondence and audit files.

Written Agreements

Organizations that are funded will be required to execute a written agreement with the City and CDBG funds are reimbursed on a monthly based upon documented receipts for eligible costs incurred. Funded agencies must acknowledge the CDBG contribution to the funded program in materials, brochures and written acknowledgements. Funded agencies will be required to comply with all federal regulations associated with the funding and will be required to submit documents demonstrating administrative and financial capacity to manage a federally funded project. Funded agencies will be required to track and report accomplishment data in accordance with HUD's Performance Measurement System. Performance Measurements and IDIS were developed to help HUD and its grantees use a standardized methodology and system to measure the outcomes of CDBG. The system classifies activities, objectives, outcomes and indicators.

The City and funded subrecipients must abide by the CDBG program rule for timely expenditures. HUD can withhold future grants if the City does not effectively spend existing resources. With the enormous need for community development programs, it is vital that CDBG funds are spent quickly. Subrecipients under contract to receive CDBG funds must complete project work within time specified in the contract unless an extension is obtained from the City. Failure to complete project scope of work may be grounds, at the City's discretion for contract termination. Agencies shall comply with all applicable federal, state, and local laws, and with applicable license requirements. Funded program records are subject to review by the City of Chandler and/or HUD.

SECTION 5. PROGRAM MONITORING

The City of Chandler Neighborhood Resources is responsible for ensuring that federally assisted activities are carried out in accordance with administrative, financial and programmatic requirements. This includes assuring that performance goals are achieved within schedule and budget, and for taking appropriate actions when performance problems arise.

As a part of the City's ongoing monitoring standards, staff will evaluate the adequacy of a subrecipient by conducting a risk assessment, review contract performance and takes appropriate action when problems arise (24 CFR 570.501(a)). The City's monitoring goal is to improve delivery of services to low and moderate income Chandler residents.

Monitoring programs for ***compliance is not a one-time event*** and happens throughout the contract year. Formal site visits are conducted throughout the year using checklists and other materials to guide a comprehensive review of the funded activities. ***Levels of reviews are selected based upon a risk assessment analysis for program areas*** and on information gathered from desk audits and monthly performance reporting. ***City staffs perform formal site visits as needed according to a risk assessment.*** The formal site visit will review program operations, recordkeeping and overall accountability for the federal funds. Monitoring is also accomplished by requiring fiscal audits on a yearly basis from all sub-grantees. Audit reports are then reviewed for findings and concerns.

In June each year, ***Pre-Contract training sessions are held with all City and non-City project sponsors*** to explain the required federal and other applicable laws, monitoring standards and procedures. Internal written agreements explaining all program requirements and monitoring standards are executed with City Departments using federal funds. Detailed contracts are executed for all agency (non-City) project sponsors. ***Non-profits are required to submit pre-contract documents and information*** on fiscal and program capability, non-profit status, handicapped accessibility, and other required information prior to the execution of a contract. ***City staff performs desk audits of the pre-contract documents*** and when necessary conduct site visits to determine whether the agency can meet the requirements for undertaking a federally funded project.

All agreements and contracts require written measurable objectives and monthly reporting on spending and progress in meeting the objectives. ***Payment to non-City entities is made on a reimbursement basis contingent upon the agency's submittal of supporting source documents.*** These expenses are checked by City staff for accuracy, allowability and reasonableness before processing for reimbursement.

Monthly ***fiscal and program reports are reviewed to assure that expenditures are within budget and that program objectives are being met in accordance with the contract.*** All construction draws are reviewed by an agency architect and the CDBG Program Supervisor. Documentation of an open solicitation and outreach/utilization of minority and women owned business enterprises is required for procurement of goods, services and labor.

Formal Site Visit Selection & Monitoring Procedures

Grants Administration staff will conduct formal site visits on projects based on a Risk Assessment and the Program Performance Monitoring Checklist (below) will be used to conduct the review as follows:

1. Prior to site visit, staff will conduct a desk audit of the program and answer as many questions as possible contained in the Program Performance Monitoring Checklist. Since it would take staff an excessive amount of time to ask each question on the checklist at a site audit, a risk analysis of

factors and prioritizing of questions and areas should occur. This will allow for proper in-depth review of the more serious areas. The values assigned to each question (1 to 10, with 10 being "essential or necessary") should be used as a guide in prioritizing factors.

2. Six general areas will be examined as part of this risk analysis:

a. Program Outcomes - Progress in meeting outcome objectives in Scope of Work, review of rehabilitation work payments, review and totaling of service data and other information provided in monthly reports.

b. Handicapped Accessibility Assessment – building assessability compliance and verification.

c. Fiscal Management Assessment- identification of weaknesses; review of Fiscal Audit Reports and any findings, review of Audit Management Letters regarding adequacy of agency's internal controls.

d. Procurement – review of agency procurements procedures and documentation for open procurement and cost reasonableness.

e. Program/Client Records – review of target population served, and verification of compliance with national low/moderate income objective.

f. Board Operations - Review list of Board members and backgrounds, other information in file pertaining to Board.

3. Once the areas for review have been identified, staff will coordinate the site visit date with the Executive Director of the Agency.

4. A formal site visit letter will then be mailed confirming the date and identifying the priority areas to be reviewed. Letter is mailed a minimum of two weeks before the date of the site visit.

5. At the formal site visit, the following general steps will occur:

a. Entrance discussion with Executive Director, Program Manager and Grant Accountant to review the nature and purpose of the formal monitoring, obtain info on general program issues.

b. Review of Handicapped Accessibility items, inspection of bathrooms, handicapped parking, ramps, barriers to handicapped accessibility, conformation of handicapped policy and ADA brochure language and other program announcements, confirmation that the agency has completed a self evaluation to remove all barriers to accessibility.

c. Review of fiscal records, transactions, procedures, internal control, agency wide financial statements showing budget variances, review of financial statements regularly by governing board.

d. Review of procurement policies, confirmation of MBE/WBE outreach and bids to verify open procurement, testing of cost reasonableness and allowability.

e. Review Board Minutes, ascertain if Board is actively involved in governance and knowledgeable about CDBG regulations, obtain copy of most recent audit.

f. Exit Conference – City staff will indicate preliminary findings and concerns and give a date for a formal letter to be sent to agency. The City will normally send its formal letter to the Agency within 30-45 days.

g. Development of Site Visit Report Letter to Agency, including timelines for response to areas of concern and corrective action if applicable. Review of agency response to City monitor corrective actions to ensure they have been addressed..

SECTION 6. PERFORMANCE MEASUREMENT DATA

This covers the three primary aspects of ensuring and documenting compliance with program rules and requirements for monitoring, reporting and recordkeeping.

Performance Measurement

This is systematic organized process for gathering information to determine how well programs are meeting established goals. The measurement system was established to enable HUD and the City to standardized methods to measure outcomes. The system provides a framework for classifying activities in the City's Consolidated Plan and for reporting in IDIS and the CAPER. There are three main components to the Outcomes Performance Measurement System 1) objectives; 2) outcomes; 3) indicators.

Objectives: Three possible objectives to choose from for each activity:

- Creating Suitable Living Environments
- Providing Decent Housing
- Creating Economic Opportunities

Outcomes: further define the City's objectives and capture the nature of the change or result of the objective. Three possible outcomes to choose from for each activity:

- Availability / Accessibility
- Affordability
- Sustainability

Indicators: further define the City's objectives and capture the nature of the change or result of the objective. Three possible outcomes to choose from for each activity:

- Availability / Accessibility
- Affordability
- Sustainability

IDIS & CAPER DATA

Funded subrecipients will provide the City information needed to input into IDIS and for the preparation of its CAPER which is submitted to HUD annually. In IDIS and in its CAPER, the City must provide the following information for each CDBG funded activity.

- Activity name, description, location
- The HUD National Objective being met
- Dollars expended in program year
- Amount of unliquidated obligations for each activity
- Activity status and accomplishments
- Delivery cost for rehabilitation activities
- Number of units proposed, number completed
- For multi unit rehab, no of units occupied by low/mod income households following rehab
- For multi unit properties the dollars expended from CDBG and non federal sources
- Characteristics of beneficiaries
- Source and amount of program income, dollar amount and number of outstanding loans
- CDBG acquired parcels to be sold
- Households displaced as a result of CDBG activity

SECTION 7. PUBLIC SERVICE PROPOSAL INFORMATION

Environmental Review

An Environmental Review is required for each project that receives CDBG funding. If the proposal is funded, City staff will initiate the review and notify the agency when the project is cleared to proceed. Public Service programs require a lower level review and obtaining the clearance will not delay project start up.

Public Service Costs & Activities that are Not Eligible:

- Political activities
- Income payments
- Stipends
- Marketing and/or Fundraising
- Gifts / Awards
- Religious instruction
- Payment of debt or pre-project expenses
- Entertainment, furnishings and personal property purchases
- Ongoing grants or non-emergency payments (defined as more than 3 consecutive months) to individuals for their food, clothing, rent, utilities, or other income payments
- Equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible.

Proposal Budget

The proposal budget must include Personnel Services (salaries) and other project cost components necessary to carry out the project for 12 months. The budgeted columns for agency cash and in-kind contributions must be filled out. Attachment B is to be completed for Personnel Salaries that will be paid with CDBG funds. Include the employee name and position title.

Finger Printing Requirements

CDBG-funded staff working with homeless persons, elderly or frail populations must be fingerprinted. This is an eligible CDBG cost and should be reflected in the budget.

Using Volunteers

Volunteers are not employed by the agency and are considered in-kind resources. State-licensing requirements apply to volunteer work. Volunteer contributions should be estimated by calculating the hourly rate normally paid to do the same type of work.

Expense Reimbursement Policy

The City developed the standards to keep projects on track and to ensure that the specified activity is being carried out in a timely manner. The standards for determining reasonableness and allocability of costs incurred as part of CDBG financed activities are found in OMB Circular A-122. All expenditures must be reasonable, CDBG-eligible, necessary and directly related to the project activities and identified in the budget which is an exhibit to the written agreement.

Funded agencies will be expected to submit separate monthly payment requests and performance reports each month. The City requires one invoice per month with back up documentation for the expenses and progress, outcome, demographics data for that month. Failure to bill the City for the activities each month can become a serious problem. Agencies should be aware that their CDBG grant performance history and adherence to timely start-up and monthly billing/reporting is provided to the City of Chandler Housing and Human Services Commission as they review next year's proposals.

Monthly reimbursement request will include:

Agency Letter of Request – Request must be on Agency letterhead and indicate the reimbursement month, amount of the request, contract balance, invoice # and outcome data.

Monthly Performance Report - Performance Report explains the progress the project has made in relation to the goals and performance indicators outlined in the Scope of Work.

Billing Statement / Monthly Expenditures - summarizes the monthly and year-to-date expenditures by type and includes the agency's contribution (match) from other sources.

Source Documentation/ Supports Expenditures – all expenses must be supported by source documentation in accordance with 24 CFR Part 85.20 (b) (6) and OMB Circular A-110, Attachment F, paragraph 2(g) and A-122. The source documentation must explain the basis of the costs incurred, as well as showing the actual dates, amount of expenditure and clearly display the expenditure type. Support documentation is needed to verify that the expenses charged against the CDBG funds were incurred during the effective period of the contract; the expense was actually paid; and the expense was an allowable item in the budget.

Payment Review – City staff will review the agency's performance report and payment request for the project's progress, goals achieved, client data, eligibility, procurement, and source documentation.

Cost Allocation - If program costs are split between the CDBG funds and other sources, there must be a cost allocation plan that describes how to fairly allocate the charges among the sources. CDBG charged expenditures must be in proportion to the relative benefit of the CDBG project objective. The cost allocation plan must be approved by City staff.

SECTION 8. PUBLIC FACILITIES & IMPROVEMENTS PROPOSAL INFORMATION

If the organization is selected as a sub-recipient under the Public Facilities Capital Projects category, the organization must comply with the following:

Environmental Review

An Environmental Review is required for each project that receives CDBG funding. If the proposal is funded, City staff will initiate the review and notify the agency when the project is cleared to proceed. Public Facility projects require a higher level review and obtaining the clearance can take up to three months to clear and will depend upon the project scope of work.

Davis Bacon and Prevailing Wages

The General Contractor is responsible for full compliance with the requirements of Davis Bacon/Prevailing Wage laws for all contractors, subcontractors, and any lower-tier subcontractors as provided by the Davis-Bacon Wage Determinations established by the U.S. Department of Labor (sample provided in the RFP).

Procurement Standards

Community Development Block Grant (CDBG) program recipients, HOME participating jurisdictions, and subrecipients must follow proper procurement of goods, services, labor and materials. This includes procurement procedures to ensure that professional service providers or consulting services are properly procured.

Monthly Reporting & Section 3 Compliance

To ensure compliance, the non-profit must submit a concise monthly report. For projects involving residential rehabilitation or public facilities construction/ renovation, the report must follow the format provided by a form from the Division of Housing Assistance. HUD Form 60002: Section 3 Summary Report must also be submitted monthly along with the reports.

SECTION 9. HOME FUNDING PROPOSAL INFORMATION

HOME Eligible Applicants:

Funds are available to public or private non-profit organizations, as well as to for-profit private housing developers/owners.

Eligible Activities:

- **New Construction** – for both rental and ownership housing;
- **Rehabilitation** – includes non-luxury alterations, improvement or modification of an existing structure;
- **Reconstruction** – rebuilding a structure on the same lot where housing is standing at the time of project commitment. The number of units may not be decreased;
- **Conversion** – conversion of an existing structure from another use into affordable housing;
- **Down Payment Assistance** – up to \$10,000, for qualified borrowers, per household for low-income homebuyers to purchase affordable housing;
- **Rental Assistance** (TBRA) – direct financial assistance to subsidize tenants' rent for a period of time. (project based assistance is not eligible).

Proposal Submissions:

1. The City of Chandler reserves the right to accept or reject any or all proposals received.
2. The City of Chandler reserves the right to seek additional information from organizations, especially those not previously funded by the City.
3. The City reserves the right to establish spending guidelines for all projects.

Eligible Applicants:

Applicants must be incorporated for profit or nonprofit able to undertake affordable housing activities within the boundaries of the City of Chandler.

Applicants must demonstrate the financial management and programmatic expertise to successfully develop, design, implement and monitor the proposed activities. This expertise is demonstrated through previous experience in successfully developing projects similar to the one proposed, either by partners or key staff within the business or organization.

Applicants must be able to meet other Federal requirements relative to the HOME program, specifically those concerning equal opportunity and fair housing, affirmative marketing, environmental review, displacement, relocation, and acquisition, labor, lead-based paint, conflict of interest, debarment and suspension, and flood insurance. Federal requirements include those

listed in Title 42, Chapter 130 and CFR Title 24 Part 92. Applicants are responsible for being aware of the all additional federal requirements apply.

The following documents are all required to complete your application packet. Please scan the following documents and forward as a part of your application. If a document is not applicable, then please state on a piece of paper “not applicable” and submit that as your attachment.

1. Construction Plan
2. If conducting a capital campaign, attach plan, timeline and staff and volunteer leadership structure.
3. Map of project area

Other Required compliance documents:

4. 501 (c)(3) Letter
5. Most Recent Financial Statements (audited if applicable)
6. Most recent Audit Management Letter
7. Certificate of Good Standing from the Corporation Commission

HOME Tenant Based Rental Assistance (TBRA) Proposals

The City of Chandler is seeking a nonprofit partner to provide a Homeless Tenant-based Rental Assistance (TBRA) Program for homeless persons in Chandler.

TBRA funds may be used to provide rental assistance to help pay the cost of monthly rent and utility costs, and to pay security deposit assistance to tenants regardless of whether rental and utility subsidies are being provided. Utility deposit assistance may be provided only in conjunction with rental assistance subsidy or security deposit assistance, and cannot be a stand-alone TBRA activity. HOME TBRA funds may be used to pay for reasonable planning and administrative expenses associated with operating a TBRA program. Such expenses are subject to the 10 percent limitation on administrative costs.

- The City desires that the selected program target homeless households with incomes at or below 50 percent of the Area Median Income.
- The selected program will be required to facilitate the provision of case management and other supportive services to participants in the program to assist in their transition from homelessness to improved self-reliance and long term stability. Funds for case management will not be permitted to be funded from HOME dollars.
- The selected program will partner with Valley of the Sun United Way, other Chandler funded service providers, or other agencies to provide supportive case management or other services to Chandler homeless clients.
- Other agencies may have resources available to provide case management for program participants and the selected program will research this potential and describe innovative partnerships to take advantage of these resources.
- HOME Program guidelines require that the selected program provide the following in addition to meeting all HOME Program requirements:

Income Verification: Program participants must have an initial household income less than 50% AMI. Income must be verified annually using the Section 8, Census Long Form, or IRS Form 1040 method. See the Technical Guide for Determining

Income and Allowances for the HOME Program for more information at “www.HUD.org”

Lease: Participants will sign a lease agreement that complies with HOME and TBRA requirements. The lease must be for at least 1 year unless tenant and owner agree otherwise. If housing is provided by the program, participants may be permitted to move out of these units into other private market rentals.

Housing units rented by participants must pass an HQS inspection at move-in and annually thereafter. The program must comply with lead based paint requirements, including inspection of pre-1978 units.

Rent standards must be created and implemented that identify the maximum and minimum tenant payment and meet HUD’s HOME Program guidelines.

If funded, the contract must identify supportive services that are available to program participants.

HOME funds are available only to provide rental assistance to tenants and up to 10% can be used to cover program costs directly related to clients that receive rental assistance. Other funds will need to be identified in the Program Budget to provide client intake, supportive services, and program management costs not covered by the 10% amount above.

Ineligible TBRA Program Activities

TBRA as relocation assistance:	PJs cannot require households who receive TBRA as relocation assistance to participate in self-sufficiency programs
Cooperatives:	TBRA may not be used to assist a resident owner of a cooperative or a mutual housing unit when that resident is recognized by state law as a homeowner.
Rental Rehabilitation Program displacement:	TBRA may not be used to prevent the displacement of tenants from projects assisted with Rental Rehabilitation Program funds.
Temporary shelter:	PJs may not provide TBRA to homeless persons for overnight or temporary shelter.
Duplication of existing rental assistance programs:	Households already receiving assistance under other rental assistance programs may not also receive assistance under HOME TBRA (unless they are still paying more than 30% of their income for rent).

SECTION 10. 2012 HOME APPROPRIATIONS LAW OVERVIEW

The Consolidated and Further Continuing Appropriations Act of 2012 (P.L.112-44) imposes new requirements on projects that receive FY 2012 funds from the HOME Investment Partnership Program (HOME) The purpose of these requirements is to improve projects and developer selection by participating jurisdictions and ensure that there is adequate market demand for FY 2012 HOME projects. **The Law requires that:**

1. The City must repay any HOME funds invested in projects that are not completed within four years of the commitment date, as defined by each party signing written agreement.

2. The City may only commit FY 2012 HOME funds to a project after:
 - a. it has underwritten the project;
 - b. assessed the developer capacity;
 - c. assessed developer fiscal soundness;
 - d. examined market conditions to ensure that there is an adequate need for the HOME project; and
 - e. the City must certify that these actions have been taken for each project.
3. The City must convert any FY 2012 HOME homeownership units that has not been sold to an eligible homebuyer within six (6) months of construction completion to a HOME-assisted rental unit.
4. The City may only provide FY 2012 HOME funds for development activities to Community Housing Development Organizations (CHDOs) that have demonstrated that they have staff with demonstrated development experience.

Applicability

- Requirements apply to all 2012 HOME projects
- These projects are defined as any HOME activity set up in IDIS under a 2012 Consolidated Plan or Annual Action Plan project

Four Year Completion Deadline

- Projects must be completed and ready for occupancy within 4 years of the date of the written agreement execution
- If project not completed, these projects will be considered 'involuntarily terminated before completion' and the HOME investment must be repaid
- 'Completion' means that all necessary construction work has been completed and a certification of occupancy has been issued

Project Certification

- Before executing a legally binding written agreement the City must:
 - Conduct an underwriting review'
 - Assess developer capacity and fiscal soundness
 - Examine neighborhood market conditions to ensure adequate need for project
- The City will certify in IDIS when committing funds to a HOME activity
- The certification will appear for all IDIS activities but is NOT applicable to: TBRA, homeowner rehab, administrative costs, and CHDO operating expenses
- The City may contract with a third-part to conduct these evaluations:

Deadline for Sale of Homebuyer Units

- All homebuyer units that have not been sold to a homebuyer within 6 months of construction/rehab completion to HOME rental units or repay the HOME investment
- 'Construction/Rehab' completion mean that all necessary construction work has been completed and a certificate of occupancy (or its equivalent) has been issued
- A homebuyer unit is considered to have met the sales requirement when there is a ratified sales contract between the buyer and developer

CHDO Development Capacity

- FY 2012 funds may not be awarded to a CHDO unless the City has determined that the CHDO has staff with demonstrated development experience
- Experience developing projects of same size, scope, and complexity
- HUD defines CHDO staff as paid employees responsible for day to day operations (volunteers, board members, and consultants are not staff)

HOME INVESTMENT PARTNERSHIP - UNDERWRITING & DEVELOPER CAPACITY

Project Certification Requirement

- Conduct assessment of:
 - Neighborhood market conditions;
 - Developer capacity & fiscal soundness and
 - Project underwriting
- Prior to executing a written agreement
- City must certify in IDIS

Design Process & Procedures

- Application must articulate answers and provides supporting documentation
 - Assessment of market trends, competition, data to support project
 - Marketing plan
 - Development schedule, milestones, assigned staff
 - Corporate and individual resumes, references, financial statements
 - Proforma, including construction period, cash flow, estimate of buyer mortgages
 - Plans, specs, cost estimates
 - As-completed appraisal, broker's price listing
 - Buyer income documentation, counseling, mortgage pre-approval
 - Commitment for leveraged funds

Analyze Risk

- Market Risk - What is the environment in which the project will compete?
- Develop Risk – is the partner capable and solvent?
- Project Risk - What are the specific assumptions about cost, value, buyer funds, etc?

Market Assessment Elements

- Market trends – general housing and economic trends in local market?
- Demand – who will be served, where will buyers come from, and how many fit the profile?
- Supply – what products fit needs and how do the proposed units compare?
- Demand
- Competitive Analysis
- Developers can demonstrate adequate demand through
 - Presales, pool of screened and counseled buyers, evidence of healthy market

Developer Capacity & Fiscal Soundness

- Capacity – experience, current capacity and team
- Fiscal soundness – financial resources to carry out the project
- Capacity assessment will vary by project size, scope, complexity, type of development
- Application should demonstrate full understanding of the work and challenges
- Net worth - developer should not owe more than they own
- Portfolio risks – past developments should not be a current drain
- Pre-development funding – developer must front cash for costs before closing
- Liquidity – developer needs enough cash to pay bills

HOME INVESTMENT PARTNERSHIP - REQUIRED MARKET ANALYSIS

Market Assessment Requirement

- Applicant must conduct assessment of neighborhood market before entering into legally binding agreement for project

- Ensure adequate need for each projects
 - Applies to both homebuyer and rental projects where development will occur
 - Includes acquisition, rehabilitation, new construction, down payment assistance
- City not required to pay for external market assessment.
- The City will review and document market assessment conducted by the applicant
- Project assessment should be tied to program design – types of housing needed, target location/neighborhoods, target household types, format/amount of subsidy

Key Market Analysis Questions

- Has a need for the type and number of housing units been convincingly demonstrated?
- Will developer / program be able to sell the planned homebuyers units prior to six month deadline?
- Will the developer / program be able to lease-up the planned rental units as expected within the timeframe specified in the project proforma?
- Will the development adversely impact existing affordable housing developments?

Market Analysis Topics

- Housing Demand
- Demographic Trends
- Housing Supply
- Construction Trends
- Vacancy Rates
- Market Context
 - Project/neighborhood area, Metro wide, other market area

Rental Housing Market Analysis

- Market Area Housing Demand
- Demographic profile and trends (population, number of households, age profile, household incomes, etc.)
- Income eligible households
- Characteristics of households likely to be attracted to development

For-Sale Housing Market Analysis

- Determine who is the target market
- What housing product will sell?
- Will the project sell in this market 6 months after construction completion?
- What is the competition?

Data Sources for Doing Your Own Market Assessments

- HUD Consolidated Paln data sets
- U.S. Census
- Private data sources
- Web resources
- Field work – neighborhood site assessment, examine competitive properties